

SEGREGATED STATE TANF PROGRAMS

Department of Workforce Development

As delineated in the preamble to the final Federal TANF Regulations, many factors contribute to poverty and dependency, and solutions to these problems should not be “one size fits all.” The system should allow States and localities to develop diverse and creative responses to their own problems. Wisconsin has taken this opportunity provided under TANF to partner with communities and other organizations to serve families in new, more creative, and more effective ways. The following programs are part of the State’s TANF program and are funded with either co-mingled TANF and state funds or segregated funds.

Child Support Pass-Through

Cooperation with the child support agency is a requirement for receipt of W-2 services. Through December 31, 2005, Wisconsin has been given authority to operate a Child Support Demonstration waiver project to pass all collected child support directly to W-2 participants.

Under the demonstration, individuals participating in an employment position received all or a portion of the current child support money collected each month, depending on their random group assignment. W-2 applicants were assigned to one of three groups: control, experimental or non-experimental (After July 1999 all new W-2 participants have been assigned as non-experimental). Participants assigned to the experimental and non-experimental groups directly received all child support paid for current support or paid for arrears accrued when receiving W-2 cash assistance. Prior to July 1, 2002 participants in the control group received up to \$50 or the state share (41%) of the child support collected, whichever was greater. After July 1, 2002 as part of the second phase of this waiver, the control group participants received the same child support pass through as the experimental and non-experimental groups.

Due to the expiration of the Child Support Demonstration waiver project, effective January 1, 2006, Wisconsin will phase-out the federal share (57.65%) of child support passed through to families: seventy-five (75) percent of the federal share will be passed through to families from January 1 through March 31, 2006; fifty (50) percent of the federal share from April 1 through June 30, 2006; and twenty-five (25) percent of the federal share from July 1 through September 30, 2006. Beginning October 1, 2006, only the state share (42.35%) will be passed through to families.

DWD has developed a public awareness plan to communicate these changes in child support pass-through to custodial parents, non-custodial parents, W-2 agencies and other partners who work with affected families.

Child support received by the family is not used to determine eligibility for W-2 and does not affect W-2 payments. The state share of the amounts passed through to W-2 recipients are in Wisconsin’s Maintenance of Effort (MOE) calculation.

Human Services

Wisconsin received federal approval in the FFY 1995 JOBS Supportive Service Plan to include human service expenditures made on behalf of AFDC recipients as eligible for federal reimbursement. Services listed in the Supportive Services plan include child care; family preservation services; and AODA and mental health services not covered under the Medicaid program. The costs of the services which are associated with the assignment of non-medical alcohol and drug abuse activities and mental health services to enable participation in the W-2

program and obtain and/or maintain successful employment, are not covered by Medicaid. To the extent local agencies identify non-federal resources spent on TANF-eligible individuals, Wisconsin may include these amounts in its MOE calculation.

Child Care

Wisconsin provides child care subsidies to families whose income is less than 185 percent of the FPL regardless of whether they are or have been on W-2. Families may remain eligible with income up to 200 percent of the FPL. There are no time limits for family eligibility and parents in W-2 child care have the option of selecting a child care provider from a wide variety of choices. Eligibility for child care is determined by W-2 agencies.

In addition to using the Child Care Development Fund (CCDF) and state general purpose revenues, TANF funds are also used to pay for child care for participants in W-2 and for low-income working parents. The child care subsidy is not counted as assistance for parents in unsubsidized employment. Child care subsidies paid for by TANF funds will be governed by the same policies as subsidies funded by CCDF. These policies include eligibility criteria (but no asset test) as well as a co-payment requirement provision. Wisconsin plans to transfer funds from the TANF block grant to the CCDF as allowed under PRWORA.

Employment Transportation Program

Reliable, affordable and efficient transportation is critical to self-sufficiency. Wisconsin has made it a priority to work with job seekers, employers and local service providers to address transportation needs for low-income families. Employment and training staff (W-2 agencies, Job Centers, other local partners) work closely with Community Steering Committees, Children's Services Networks, existing transportation service providers, Regional Planning Commissions, Metropolitan Planning Organizations and employers to determine the best use of existing resources and the best methods to meet the employment transportation needs in their communities.

W-2 agencies use innovative methods to meet participant transportation needs such as arranging van pools, setting up volunteer driver programs, accessing loan resources for personal vehicle purchase and repair, encouraging employer-based transportation programs, expanding transit hours and service areas and hiring transportation coordinators. These programs are available to people who are enrolled in a component of the W-2 program and are generally offered on an individual basis.

DWD has created a joint grant program with the Wisconsin Department of Transportation (DOT), called the Wisconsin Employment Transportation Assistance Program (WETAP). This program uses state funds administered by DWD and DOT to match and draw down Job Access and Reverse Commute (JARC) dollars from the Federal Transit Administration. This has allowed Wisconsin to maximize resources and encourage even greater coordination and collaboration among local providers. The objectives of the program are to help low income individuals and families obtain, retain, and advance in employment. All transportation activities are eligible, but they must be based on needs assessment and local planning.

The grant program began April 1, 2000. New grantees are selected on a biennial basis. Local agencies, authorities, non-profits, and tribal governing agencies are eligible to apply. Local collaboration between all interested parties is required for needs assessment, plan development, and local implementation. The plan requires input from employers and potential participants.

All current and potential W-2 participants, FoodShare recipients, and others receiving supportive services and whose gross income is at or below 200 percent of the FPL are eligible for assistance. WETAP further enhances the strong commitment Wisconsin has made to helping low-income families overcome employment transportation barriers. No TANF funds currently are budgeted for the WETAP program although minor expenditures may occur to complete projects funded from TANF funds in the 2001-03 biennium and approved under the then-current TANF Plans. The state funds administered to DWD for the WETAP program currently are not anticipated to be used as a TANF MOE program. If DWD identifies a need for additional MOE sources, it may consider program modifications as necessary to ensure some or all state funds met MOE requirements.

Job Access Loans

Job Access Loans (JALs) are short-term, no interest loans designed to meet expenses related to obtaining or maintaining employment. JALs are designed for an individual needing assistance because of a discrete financial crisis that cannot be resolved with personal resources and other funding sources are not available. This crisis, if unresolved, could develop into a long-term problem in which the individual may become dependent upon a W-2 employment position. The individual must meet financial and non-financial eligibility conditions under the W-2 program.

The W-2 agency can approve a JAL from \$25 to \$1600. Some examples of appropriate use of JALs include:

- Car loans for purchase of a vehicle or repairs to provide transportation to work or to look for work;
- Fees for obtaining a drivers license;
- Clothing/uniforms for work;
- Rent or security deposits, to prevent eviction and enable the individual to obtain or maintain employment; and
- Self-employment/entrepreneurial activities. As a condition of any self-employment or entrepreneurial loan, the W-2 agency must require a business plan approved by a traditional loan institution or an organization specializing in entrepreneurial efforts, such as the Wisconsin Women's Business Initiative Corporation or the National Foundation for Training Entrepreneurship.

The W-2 agency has sole discretion in determining and authorizing JALs. The loan recipient must develop a repayment plan approved by the W-2 agency. The loan may be paid back in cash or through a combination of cash and volunteer community work.

Emergency Assistance

The Emergency Assistance (EA) program is designed to meet the immediate needs of eligible persons facing a current emergency. The emergency must be due to fire, flood, natural disaster, energy crisis, impending homelessness, or homelessness. EA is intended to avoid destitution of a child and provide living arrangements for the child in a home. It is not necessary for individuals to receive any other forms of public assistance in order to receive EA. W-2 agencies are responsible for administration of EA. However, in Milwaukee, the administration of EA is split between the W-2 agencies who administer the impending homelessness portion and the Milwaukee County Human Services Agency who administers the rest of the program through a subcontract with the American Red Cross.

An EA group must contain a child under age 18 and a caretaker relative with whom a child is living. Each member of the EA group must be a resident of Wisconsin and a citizen or qualifying alien, as defined under W-2 policy. The amount of the EA payment is the lower of:

- \$150 for each eligible EA group member;
- the amount requested by the group; or
- the total financial need due to the emergency.

The actual amount of necessary unpaid monthly expenses (housing, food, utilities, transportation, medical and child care) is considered when determining the total financial need of the group. If an individual does not agree with the agency's decision regarding EA eligibility or payment amount, a W-2 Fact Finding Review may be requested.

Workforce Attachment and Advancement

For the period early 2000 through December 2003, the Workforce Attachment and Advancement (WAA) program had provided funding to W-2 agencies and Workforce Development Boards (WDBs) to develop innovative employment retention and advancement strategies for the TANF eligible population.

Through WAA, W-2 agencies and WDBs worked collaboratively with employers, training providers, educational institutions, organized labor and other partners in the employment and training services delivery system to provide a variety of services tailored to the needs of their local communities. The primary objective of the program was to promote upward mobility through training that prepares persons for higher-paying employment. While the Department retains statutory authority to continue administering WAA, there currently is no funding to support the program.

Grants to the Boys & Girls Club of America

The Department provides grants to the Boys & Girls Club of America in Wisconsin to provide services through their Gang Outreach Program to improve the social, academic and employment skills of low income, TANF eligible youth. The objectives of the program are to improve the social, academic and employment skills of low income, TANF eligible youth, from five to 18 years of age, whose family income does not exceed 200 percent of the FPL.

Literacy Grants

Illiteracy is one of the common barriers many of the individuals remaining in W-2 face. The Department had provided literacy grants for services to TANF eligible individuals and children to literacy providers who worked with participants to develop literacy goals and monitor progress and outcomes. While the Department retains statutory authority to continue administering literacy grants, there currently is no funding to support the program.

Department of Health and Family Services

Kinship Care

Through the federal block grant funded under TANF, Wisconsin provides a cash benefit called a Kinship Care payment to specified relative caretakers of a minor. This is a child-only payment. Relative caretakers are providing a service that allows displaced children to remain in the care of their extended family. The Kinship Care program preserves the ability to place children with relatives while providing appropriate oversight of placements to ensure children's safety and well-being. The Division of Children and Family Services in the Wisconsin Department of Health and Family Services (DHFS) oversees the administration of the program. As a child-only

benefit, there is an assumption that these children are truly needy and generally have no income of their own with the possible exception of child support. If the child support payment exceeds \$215 (amount of Kinship Care benefit per child), the child is not eligible for Kinship Care.

Relative caretakers are not required to participate in W-2 work training placements to receive financial support for the children. W-2 is a work-based system intended to provide opportunities to parents to provide for their children. Relatives caring for children who are not their legal responsibility are providing a service to the child and the community and have no work requirements.

Under Kinship Care, relative caretakers are eligible for a child only benefit if all of the following conditions are met:

1. The Kinship Care relative applies to the county or tribal social/human services child welfare agency. The agency completes an assessment and determines if there is a need for the child to be placed with the kinship care relative and if the placement with the kinship care relative is in the best interest of the child.
2. The county or tribal social/human services agency determines that the child meets one or more of the criteria specified in s. 48.13, Stats., or s. 938.13, Stats., or that the child would be at risk of meeting one or more of those criteria if the child were to remain in his or her home. (Note: These statutory sections relate to children in need of protection or services. The chapter numbers relate to the Children's Code and the Juvenile Justice Code.)
3. The county or tribal social/human services child welfare agency conducts a criminal background check on the kinship care relative, any other adult resident of the kinship care relative's home and any employees or prospective employees of the kinship care relative who have or would have regular contact with the child. The primary purpose of the background check is to determine if they have any arrests or convictions that could adversely affect the child or the kinship care relative's ability to care for the child.
4. The Kinship Care relative cooperates with the county or tribal social/human services agency in the application process, including applying for other forms of assistance for which the child may be eligible.
5. The child for whom the kinship care relative is providing care and maintenance is not receiving supplemental security income (SSI) or state supplemental payments.

The Kinship Care payment amount is similar to previous AFDC payment levels in Wisconsin--\$215 per child per month. In addition, kinship care children will remain non-financially eligible for Medicaid and FoodShare benefits. The income and assets of kinship care relative caretakers are not considered in the kinship care eligibility determination. A kinship care eligibility review must be completed at least every twelve months.

SSI Caretaker Supplement

W-2 legislation provides that an individual who is a recipient of SSI is not eligible for participation in a W-2 employment position. Recipients of SSI have been determined permanently disabled, incapable of supporting themselves through employment, and therefore not appropriate for placement in a time-limited employment program.

To help with the support of SSI recipients' dependent children, a monthly benefit funded under TANF and state general purpose revenue (GPR), called SSI Caretaker Supplement (CTS), is issued for each eligible child who meets all of the following criteria:

1. The child's sole custodial parent receives SSI or the child lives with both custodial parents and both receive SSI. In either circumstance, the caretaker(s) receive \$250 for the first eligible child and \$150 for each subsequent eligible child.
2. The child meets financial and non-financial AFDC eligibility criteria. If the family passes the AFDC eligibility test, the CTS payment is made.
3. The child does not receive SSI benefits.

The CTS program is separate from the W-2 program and is administered by Wisconsin's DHFS, Division of Supportive Living.

Wisconsin Statewide Child Welfare Information System (WISACWIS)

Administered by DHFS, WISACWIS is an automated system that assists caseworkers and administrators in managing child welfare services, including intake, eligibility determinations, case management, court processing, financial reporting, and administration. TANF funds are being used to support the portion of implementation and ongoing support costs related to the Kinship Care program.

Department of Revenue

TANF-Funded Earned Income Tax Credit

Beginning in FFY 99, Wisconsin's Department of Revenue provides a TANF-funded earned income tax credit (EITC) for the refundable portion of the Wisconsin's EITC program for low-income families. All families receiving the state credit are determined to be categorically eligible for TANF. (Note: Nonrefundable amounts and EITC payments made to qualified aliens are paid with state tax revenues).

This credit provides a supplement to the wages and self-employment income of lower-income workers with children living with them. Under the Wisconsin program, persons may be eligible to receive the tax credit if they or their spouse worked full or part-time during the tax year, had at least one qualifying child, were a full-year resident of Wisconsin, and qualified for the federal EIC. The state credit is calculated as a percentage of the federal credit as follows: four percent for families with one child; 14 percent for families with two children; and 43 percent for families with three or more children.